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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/045,518 03/20/98 VAN LUCENE

A WD2-97-561

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TM02/0213

 EXAMINER

MYHRE, J  
ART UNIT  PAPER NUMBER

2162  
**DATE MAILED:**

02/13/01

Please find below and/or attached an Office communication concerning this application or proceeding.

**Commissioner of Patents and Trademarks**

<b>Office Action Summary</b>	Application No. <b>09/045,518</b>	Applicant(s) <b>Van Luchene</b>
	Examiner <b>James Myhre</b>	Group Art Unit <b>2162</b>

Responsive to communication(s) filed on Dec 8, 2000

This action is **FINAL**.

Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

#### Disposition of Claims

Claim(s) 1-27 is/are pending in the application.

Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

Claim(s) \_\_\_\_\_ is/are allowed.

Claim(s) 1-27 is/are rejected.

Claim(s) \_\_\_\_\_ is/are objected to.

Claims \_\_\_\_\_ are subject to restriction or election requirement.

#### Application Papers

See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.

The proposed drawing correction, filed on \_\_\_\_\_ is  approved  disapproved.

The specification is objected to by the Examiner.

The oath or declaration is objected to by the Examiner.

#### Priority under 35 U.S.C. § 119

Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

All  Some\*  None of the CERTIFIED copies of the priority documents have been

received.

received in Application No. (Series Code/Serial Number) \_\_\_\_\_.

received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_.

Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

#### Attachment(s)

Notice of References Cited, PTO-892

Information Disclosure Statement(s), PTO-1449, Paper No(s). \_\_\_\_\_

Interview Summary, PTO-413

Notice of Draftsperson's Patent Drawing Review, PTO-948

Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

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## DETAILED ACTION

### *Response to Amendment*

1. The amendment filed on December 8, 2000 has been considered but is ineffective to overcome the Phillip Fiorini reference.

The Examiner notes that the amendment filed on December 8, 2000 lists the Applicants as "Walker et al". However, the first-named inventor of record is "Van Luchene et al". Applicant is reminded that a petition may be submitted if a change of inventor is desired.

### *Specification*

2. The amendment filed on December 8, 2000 has overcome the objections to the specification for minor informalities in paragraph 1 of paper number 7. Thus, the Examiner hereby withdraws these objections.

### *Double Patenting*

3. A rejection based on double patenting of the "same invention" type finds its support in the language of 35 U.S.C. 101 which states that "whoever invents or discovers any new and useful process ... may obtain a patent therefor ..." (Emphasis added). Thus, the term "same invention," in this context, means an invention drawn to identical subject matter. See *Miller v. Eagle Mfg. Co.*, 151 U.S. 186 (1894); *In re Ockert*, 245 F.2d 467, 114 USPQ 330 (CCPA 1957); and *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970).

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A statutory type (35 U.S.C. 101) double patenting rejection can be overcome by canceling or amending the conflicting claims so they are no longer coextensive in scope. The filing of a terminal disclaimer cannot overcome a double patenting rejection based upon 35 U.S.C. 101.

4. Applicant is advised that should Claim 25 be found allowable, Claim 26 will be objected to under 37 CFR 1.75 as being a substantial duplicate thereof. When two claims in an application are duplicates or else are so close in content that they both cover the same thing, despite a slight difference in wording, it is proper after allowing one claim to object to the other as being a substantial duplicate of the allowed claim. See MPEP § 706.03(k).

The first four steps of each claim are exact duplicates. In addition, the fifth step which completes the transaction is substantially the same in each claim. In Claim 25, the fifth step comprises allowing the two items to be exchanged for the rounded purchase price. In essence, this means that the buyer receives the two items and the seller receives the rounded purchase price. In Claim 26, the fifth step comprises receiving the rounded purchase price in exchange for the two items. Again, this essentially means that the buyer receives the two items and the seller receives the rounded purchase price. Thus, Claim 26 is a substantial duplicate of Claim 25.

#### *Claim Rejections - 35 USC § 101*

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

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6. Claims 1- 24 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1, 3, 5, and 7-15 recite a series of steps and are considered for the purpose of analysis under 35 U.S.C. 101 as reciting a series of steps. Further, the claims do not recite any pre- or post-computer activity but merely perform a series of steps of receiving data and manipulating the data, and is directed to non-statutory subject matter. A process is statutory if it requires physical acts to be performed outside of the computer independent of and following the steps performed by a programmed computer, where those acts involve the manipulation of tangible physical objects and result in the object having a different physical attribute or structure (*Diamond v. Diehr*, 450 U.S. at 187,209 USPQ at 8). Further, the claims merely manipulate an abstract idea or perform a purely mathematical algorithm (adding and rounding) without limitation to any practical application. A process which merely manipulates an abstract idea or performs a purely mathematical algorithm is non-statutory despite the fact that it might have some inherent usefulness (*Sakar*, 558 F.2d at 1335,200 USPQ at 139).

Claims 2, 4, 6, and 16-24 recite an apparatus (programmed computer) which performs the steps of the method claims above. There is no disclosure within the specification that the apparatus itself is a specific machine, but merely a general purpose computer that is programmed to perform the steps of the method claims. Therefore, Claims 2, 4, 6, and 16-24 are analyzed based on the series of steps being performed.

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***Claim Rejections - 35 USC § 112***

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1-24 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01.

Examiner notes that the preambles of Claims 1-24 recite “processing a supplemental product sale” as their goal; however, none of the claims contain steps which actually accomplish this goal. The omitted steps are: receiving the purchase price for one or more items at the POS terminal, the price was totaled, offering a supplemental product to the customer, receiving a response from the customer, receiving one or more rounding codes, rounding the purchase price based on the rounding code, and receiving payment of the adjusted purchase price from the customer. The goals would be accomplished and this rejection traversed if these, or similar, steps were added to the claims.

***Claim Rejections - 35 USC § 103***

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are

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such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 1-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Phillip Fiorini "No Place for a Penny".

Claims 1-6: Fiorini discloses several businesses, such as Kroger and Winn-Dixie supermarkets (page 1) and Christie's Cafe (page 2) which have been rounding off purchase prices. In these examples, the rounding code is inferred to be to the closest nickel (a rounding multiplier of 5 cents), and the purchase price is then rounded to eliminate the requirement for pennies. Furthermore, Examiner had first-hand experience with rounding the purchase price to eliminate receiving change in late 1950's and early 1960's at the local grocery store. As an example, if, when I purchased a soft drink (15 cents) and a chocolate bar (7 cents) for a total of 22 cents, I only had a quarter (25 cents), the grocer would offer one or more supplemental products (normally candy) in lieu of the 3 cents change due. This is not an isolated example. Many retail establishments offer the customer sticks of gum, etc. in order to round off the purchase price and to eliminate the need to handle small change.

Claims 7-24: Fiorini discloses rounding off purchase prices using rounding codes and multipliers as described in Claims 1-6 above, but does not explicitly disclose that the rounding code is also associated with a fixed price. Official Notice is taken that it is old and well known within the retail arts to set a fixed price for each product, supplemental or otherwise, and to associate the fixed price and rounding code (multiplier). Therefore, it would have been obvious

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to one having ordinary skill in the art at the time the invention was made that when more than one supplemental product is selected by the customer to select one rounding code to use to round the purchase price and to charge the fixed price for other supplemental products. One would have been motivated to do this in order to prevent the customer from receiving the supplemental products at no cost. For instance, if the total purchase price was \$29.75 and the rounding multipliers (codes) for three supplemental products were \$1, \$5, and \$10, by applying the rounding multipliers in this order the adjusted purchase price would be \$30. The first rounding multiplier of \$1 would adjust the price to \$30. The second and third rounding factors would not adjust the purchase price since \$30 is a factor of both \$5 and \$10. Thus, the customer would get the second and third supplemental products at no additional cost.

Claims 25-27: Fiorini discloses several businesses, such as Kroger and Winn-Dixie supermarkets (page 1) and Christie's Cafe (page 2) which have been rounding off purchase prices. In these examples, the rounding code is inferred to be to the closest nickel (a rounding multiplier of 5 cents), and the purchase price is then rounded to eliminate the requirement for pennies, as discussed in reference to Claims 1-6 above. While Fiorini does not explicitly disclose providing an item not included the original purchase price in addition to the item(s) originally being purchased in exchange for the rounded purchase price, it is old and well known within the retail arts to do so, as per the Examiner's Affidavit. The feature of selecting a rounding multiplier based in the rounding code received has been discussed in reference to Claims 7-24 above.

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***Response to Arguments***

11. Applicant's arguments filed December 8, 2000 have been fully considered but they are not persuasive.

a. Applicant attempts to argue the 35 U.S.C. 101 rejection of Claims 1-24 by citing portions of the "*State Street*" and "*AT&T*" decisions. The Applicant is correct in that physical transformation is not an invariable requirement, but is only one way that the result of a mathematical algorithm may bring about a useful application and thus be deemed statutory. However, in the present invention not only is there no physical transformation, but also there is no application of the result.

Applicant also attempts to argue that the claims have a practical application of processing sales. However, as discussed in the 35 U.S.C. 112, second paragraph, rejection above, there are no claimed steps which process sales or apply the result of the mathematical algorithm in a useful way. Thus, there is no practical application of the result. The Examiner notes that every mathematical algorithm produces a result which is inherently useful in that it could have any number of uses, such as a teaching aid for mathematic students, etc. However, the mere possibility that the result might be able to be used to perform one or more useful functions does not render the mathematical algorithm statutory. For example, in the present invention, a step could be added which calculated 4 percent of the purchase price. While this may be a useful result if the local sales tax happens to be 4 percent, it would not be deemed statutory without specifying that the result is applied to the purchase price (i.e. added to the purchase price to arrive

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at the total purchase price including local sales tax). Indeed, if the local sales tax is 5 percent, the result of the 4 percent calculation would not be useful.

Applicant finally argues and cites *State Street* to support “that derivation of a purchase price has been held statutory” because it produces a useful, concrete and tangible result. However, as discussed in the preceding paragraph, the present invention does not claim any useful application of the result.

Applicant’s argument if reference to apparatus claims 2, 4, 6, and 16-24 has been discussed in paragraph 6 above.

b. Applicant argues against the 35 U.S.C. 101 rejection of Claims 1-24 in reference to not accomplishing the goal recited in the corresponding preamble. The Examiner erroneously placed this rejection under 35 U.S.C. 101 and hereby withdraws this rejection. However, this rejection has now been placed under 35 U.S.C. 112, second paragraph, as discussed is paragraph 8 above.

c. Applicant argues that the present invention does not claim “offering one or more supplements products in lieu of change due”; and, therefore, such a feature is inapplicable to the obviousness determination. The Examiner notes that Claims 1-24 all include “processing a supplemental product sale” in their preambles. While none of the claims actually include a step which accomplishes this goal (see the 35 U.S.C. 112, second paragraph, rejection in paragraph 8 above), one must assume from the specification (page 4, lines 4-5) that the customer has been offered one or more supplemental products (“upsells are made available to customers”). If the Applicant is claiming that the present invention rounds off the purchase price without providing a

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supplemental product (upsell) to the customer, then it is merely a method for rounding a purchase price in order to preclude the need to handle small change. The Examiner notes that “small change” could be defined as pennies, or dollars, or even hundreds of dollars depending on the cost of the product being purchased. For example, if the product being purchased costing 57 cents (e.g. a candy bar), the price would be rounded up to 60 cents (nearest dime). However, if the product being purchased cost \$157.87 (e.g. a cell phone), the price would be rounded up to \$160.00 (nearest \$10). Likewise, if the product being purchased cost \$32,778.67 (e.g. a new automobile), the price would be rounded up to \$32,800.00 (nearest \$100) or maybe even \$33,000.00 (nearest \$1,000). To the automobile purchaser, rounding up the purchase price to the nearest dime (\$32,780.70) or even to the nearest ten dollars (\$32,780.00) would be insignificant when compared to the total purchase price. At the opposite end of the scale, rounding the cost of the candy bar up to the nearest dollar (\$1.00) or the nearest ten dollars (\$10.00) without offering a supplement product would disaffect the customer and most probably result in the loss of the sale. Rounding the price of the candy bar or the cell phone up to the nearest \$100 or \$1,000 would be even more ridiculous and likely to end with the same result. Merchants have used this feature of rounding off purchase prices for a variety of reasons for many years. Examples of this are found in numerous references supplied with the Applicant’s Information Disclosure Statement (paper number 4) and provided by the Examiner with the first Office Action (paper number 7), such as Burke (IDS listing vvv), Hadley (IDS listing nnn), Winn-Dixie (IDS listing fff),

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Eleftheriou (5,869,826), LeStrange et al (5,371,345), and Mori (5,200,889). Therefore, methods which round up purchase prices are well known within the retail arts.

d. Applicant also argues that Fiorini does not disclose receiving one or multiple rounding codes which are used to determine how to round a purchase price. However, as discussed in the 35 U.S.C. 103 rejection of Claims 1-6 in paragraph 10 above, it is inherent that the system must have already received information (code or codes) pertaining to the monetary level to which the purchase price would be rounded, such as a rounding multiplier of a nickel, a dime, or any other level desired by the merchant. If such information had not been received, Fiorini's system would be unable to round the purchase price.

e. Applicant disputes the assertions on page 4 of paper number 7 regarding the Examiner's first-hand experience. The Examiner has attached an affidavit in support of these assertions.

f. Applicant has attempted to challenge the Examiner's taking of Official Notice on page 4 of paper number 7; however, Applicant has not provided adequate information or argument so that *on its face* it creates a reasonable doubt regarding the circumstances justifying the Official Notice. Therefore, the presentation of a reference to substantiate the Official Notice is not deemed necessary. Per MPEP 2144.03, "A seasonable challenge constitutes a demand for evidence made as soon as practicable during prosecution. Thus, the applicant is charged with rebutting the well known statement in the next reply after the Office Action in which the well known statement was made." The Applicant has not submitted any rebuttal of the well known

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statements, but has merely requested references disclosing the well known limitations. In the paragraph in MPEP 2144.03 immediately preceding the above citing, reference is made to *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420-421 (CCPA 1970) that “Furthermore, the applicant must be given the opportunity to challenge the correctness of such assertions and allegation.” However, “bald statements such as ‘the examiner has not provided proof that this element is well known’ or ‘applicant disagrees with the examiner’s taking of Official Notice and hereby requests evidence in support thereof’, are not adequate and do not shift the burden to the examiner to provide evidence in support of the Official Notice. Allowing such statements to challenge Official Notice would effectively destroy any incentive on the part of the examiner to use it in the process of establishing a rejection of notoriously well known facts” (*In re Boon*, 169 USPQ 231 (CCPA 1971)). Therefore, the Examiner’s taking of Official Notice has been maintained.

### ***Conclusion***

12. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period

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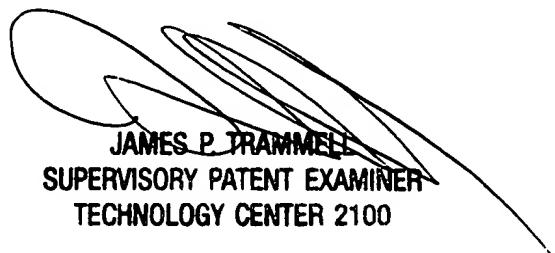
will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:00 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on (703) 305-9768. The fax phone number for Formal or Official faxes to Technology Center 2100 is (703) 308-9051 or 9052. Draft or informal faxes for this Art Unit can be submitted to (703) 305-0040.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 308-3900.

  
JWM  
February 8, 2001

  
JAMES P. TRAMMELL  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2100

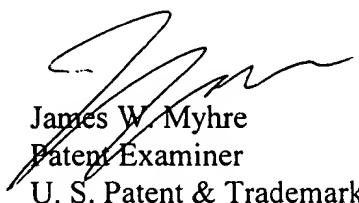
## Examiner's Affidavit

Part of Paper #11

I, James W. Myhre, do hereby affirm the following facts are based on personal experience.

While attending school in Churchs Ferry, North Dakota, between April 1958 and May 1968, my classmates and I oftentimes patronized the local grocery store, owned by Mr. Burt Benschof, during our lunchtime recess. During the first few years, a bottle of soda pop cost 7 cents. If a student bought one bottle and paid a dime for the purchase, it was common for Mr. Benschof to offer one or more additional items, such as candy, gun, etc., in the place of the change due. Sometimes he would let the student pick out penny candy in an amount equal to the change due. At other times he would offer a more expensive item, like a candy bar, in place of the change. Although the prices of the items changed during the years, Mr. Benschof continued this practice of offering additional items in place of the change due at least through 1968, when I graduated from High School and moved out of the state. Mr. Benschoff died a few years ago and is no longer able to attest to validity of this affirmation.

Attested to:



James W. Myhre  
Patent Examiner  
U. S. Patent & Trademark Office

County/City of Arlington  
Commonwealth/State of Virginia

The foregoing instrument was subscribed and  
sworn before me this 22 day of Feb,  
2001, by

(name of person seeking acknowledgement)

Notary Public

My commission expires: March 31, 2004